

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF ERICK) APPEAL NO. 07-A-2101
AND LISA VANDERWIEL from the decision of the) FINAL DECISION
Board of Equalization of Ada County for tax year) AND ORDER
2007.

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came for hearing on October 31, 2007 in Boise, Idaho before Board Member Lyle R. Cobbs and Hearing Officer Sandra Tatom. Board Members Linda S. Pike and David E. Kinghorn participated in this decision. Attorney Chris Hansen and Appellant Erik Vanderweil appeared at hearing. Chief Deputy Tim Tallman and Deputy Assessor Pam Onweiler appeared for Respondent Ada County. This appeal is taken from a decision of the Ada County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. R2107220095.

The issue on appeal is the market value of a residential property.

The decision of the Ada County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$348,000, and the improvements' valuation is \$613,400, totaling \$961,400. Appellant requests the total market value be \$791,000.

The subject property consists of a .769 acre homesite with a 4 bedroom, 3.5 bath residence built in 2006. A Uniform Residential Appraisal Report (the Fee Appraisal) states subject's residential living space is 4,342 square feet. Subject is encumbered by a six-foot easement for a future greenbelt that will run along the east property line. Subject is located in the Edgewater Estates Subdivision of Garden City, an area consisting of single family residences situated on residential lots. Services, employment, shopping, outdoor recreation, and schools are located nearby. The immediate area is bordered by State Street to the north,

the Boise River to the south, and Glenwood Street to the east.

Appellant provided Multiple Listing Service (MLS) data for eleven residential property sales to support subject's value claim. Three sales were the basis of the aforementioned Fee Appraisal. The sales occurred between February and November 2006 and were located within 3 miles of subject. Lot sizes ranged between .34 and .651 acres. Finished livable space ranged between 3,469 and 5,200 square feet. Sale prices ranged from \$714,000 to \$950,000, or \$160 to \$225 per square foot. For comparison, subject was assessed at \$961,400, or \$219 per square foot. Appellant asserted \$179 per square foot was a "proper amount" for subject's valuation.

County assessment data for the above sales and three additional neighboring properties was presented.

Appellant also provided a copy of a fee appraisal dated October 11, 2006, which estimated subject's value at \$900,000, or \$207 per square foot. The sales were judged by the fee appraiser to be the most similar, nearest, recent sales available that allow[ed] adequate comparison with subject following a thorough search of the MLS system, appraisal files, and brokers. The fee appraisal reported a complete visual inspection of the interior and exterior areas of the subject property was completed. The sale properties were located within 2.7 miles of subject. Sale prices ranged from \$860,000 to \$950,000. Following adjustments for compared differences to subject, the adjusted sale prices were between \$894,900 and \$929,700. Subject was assessed at \$961,400.

It was asserted subject's assessed value should include a discount for the six-foot greenbelt easement along subject's east property line.

Respondent provided six residential property sales to support subject's assessed value.

It was maintained these were the best residential sales available for comparison to subject. Respondent's sales were considered good sales by Appellants, and included in both parties analysis. As previously noted, three of the sales were utilized in the October 2006 fee appraisal.

The County adjusted six sales to account for differences from subject in finished square footage, fireplaces, garage square footage, view, and age. No adjustments were made for differences in lot size or number of baths. Square footage adjustments were based on the County's estimate of 4,397 square feet of finished livable space for the subject residence. The fee appraisal, which included an onsite visual inspection of the entire subject property, reported the finished livable space was 4,342 square feet.

Respondent also provided a map showing the assessed values of lots on subject's street to support the total assessed value. The map indicated six lots, including subject, which generally shared the same view. Lot sizes ranged between .504 and .769 acres. Assessed values ranged from \$290,000 to \$348,000 per lot. At .769 acres, subject was the largest of the six lots and was assessed at \$348,000.

After a review of the Fee Appraisal and relevant comparable sales, Respondent offered to reduce subject's total assessed value to the appraised amount of \$900,000. Accordingly, the land value would remain at \$348,000 and the improvements' value would be reduced to \$552,000.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the

parties in support of their respective positions, hereby enters the following:

Idaho Code provides “All property within the jurisdiction of this state, not expressly exempted, is subject to appraisal, assessment and property taxation.” I.C. § 63-203. Idaho Code further directs that “rules promulgated by the State Tax Commission shall require each assessor to find market value for assessment purposes of all property.” I.C. § 63-208(1). For taxation purposes, Idaho requires property be valued at market value. I.C. § 63-201(10). The Idaho Administrative Code defines market value and accepted appraisal procedures:

01. Market Value Definition. Market value is the most probable amount of United States dollars or equivalent for which a property would exchange hands between a knowledgeable and willing seller, under no compulsion to sell, and an informed, capable buyer, under no compulsion to buy, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

03. Appraisal Procedures. Market value for assessment purposes shall be determined through procedures, methods, and techniques recommended by nationally recognized appraisal and valuation associations, institutes, and societies and according to guidelines and publications approved by the State Tax Commission.

IDAPA 35.01.03.217.01, .03, see also I.C. § 63-201(10) (emphasis added).

Appellant offered eleven sales to support the claim for relief. The sales were timely, located within a reasonable distance of subject, and generally resembled subject in terms of square footage, lot size, condition, construction quality, and amenities. Despite minor differences, the comparable properties were applicable for valuation purposes. Sale prices ranged from \$714,000 to \$950,000, or \$160 to \$225 per square foot. For comparison, subject was assessed at \$961,400, or \$219 per square foot.

Appellant also provided a fee appraisal dated October 11, 2006, which estimated subject’s value at \$900,000, or \$207 per square foot.

A property valuation for taxation purposes, as determined by an assessor, is presumed correct and the taxpayer has the burden of proof to show an entitlement to relief. *Merris v. Ada County*, 100 Idaho 59, 64, 593 P.2d 394, 399 (1979). Idaho Code provides “a preponderance of evidence shall suffice to sustain the burden of proof.” I.C. § 63-511(4).

The Board will grant relief where “the valuation fixed by the assessor is manifestly excessive . . . resulting in discrimination against the taxpayer.” *Roeder Holdings, L.L.C. v. Bd. of Equalization of Ada County*, 136 Idaho 809, 41 P.3d 237 (2001); *Merris*.

After reviewing subject’s fee appraisal dated October 11, 2006 and considering other timely sales in the area, Respondent acknowledged a reduction to subject’s assessed value was warranted. The Board agrees with this determination.

Appellant’s case was based on a comparison of recent sales and the results of a timely fee appraisal. Appellant claimed subject’s assessment was excessive and successfully demonstrated error by a preponderance of the evidence. The fee appraisal and comparable sales presented in the record reasonably support a reduction to subject’s assessed value. Therefore, the decision of the Ada County Board of Equalization will be modified.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, modified, lowering the total assessed value to \$900,000. Accordingly, the assessed land value remains at \$348,000 and the improvements’ assessed value is reduced to \$552,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED APRIL 3, 2008